

STATE OF OKLAHOMA

1st Session of the 43rd Legislature (1991)

COMMITTEE SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 1525

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COMMITTEE SUBSTITUTE

(LOCAL DEVELOPMENT INCENTIVES ACT - PROJECT
PLAN AND PROCEDURES - ISSUANCE OF CERTAIN BONDS
OR NOTES AND PROCEDURES - CODIFICATION -
EFFECTIVE DATE -

EMERGENCY)

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 801 of Title 62, unless there is
created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Local
Development Incentives Act".

SECTION 2. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 802 of Title 62, unless there is
created a duplication in numbering, reads as follows:

It is the intent of the Legislature that the provisions of this
act be used in accordance with the following guidelines:

1. That the tools of this act be used in those cases where investment, development and economic growth is difficult, but is possible if the provisions of this act are available;

2. That the tools of this act not be used in areas where investment, development and economic growth would have occurred anyway and that areas be excluded for which the average per capita personal income of the area exceeds the state average per capita personal income by ten percent (10%) or more;

3. That the tools of this act be used to supplement and not supplant or replace normal public functions and services;

4. That the tools of this act work in conjunction with existing programs and efforts such as the Oklahoma Main Street Program, Oklahoma Enterprise Zone Act, historic preservation and other locally implemented economic development efforts;

5. That any districts created encompass intact neighborhoods by utilizing clearly defined locally recognizable physical and cultural boundaries such as expressways, municipal limit lines, rivers or other similar features and that care be taken to be fair and equitable to potentially competing businesses within and outside of proposed districts;

6. That local emphasis be balanced, to the extent possible, between residential and neighborhood treatment as well as commercial/industrial development;

7. That where possible partial credits or credits that do not utilize the full time frame allowed be pursued, if feasible;

8. That maximum effort be made to allow full public knowledge and participation in the local use of this act;

9. That conservation, preservation and rehabilitation be emphasized while demolition, clearance and relocation be minimized where possible; and

10. That local entities are encouraged to develop and apply clear standards, criteria and threshold limits that are applicable to all similar property and areas.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 803 of Title 62, unless there is created a duplication in numbering, reads as follows:

As used in this act:

1. "Conservation area" means any area within the boundaries of a district located within the limits of a city, town or county in which fifty percent (50%) or more of the structures in the area have an age of thirty-five (35) years or more. Such an area is not yet a blighted area but is detrimental to the public health, safety, morals or welfare and may become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning;

2. "District" means either a tax incentive district as authorized by Section 9 of this act or a tax increment district as authorized by Section 11 of this act;

3. "Economic growth area" means any area which is not a conservation area, enterprise zone or historic preservation area, but for which the governing body finds that investment incentives are in the public interest because they will serve as a catalyst for retaining or expanding employment, attracting major investment in the area or preserving or enhancing the tax base;

4. "Enterprise zone" means an enterprise zone as designated by the Department of Commerce pursuant to the provisions of Section 690.3 of this title;

5. "Governing body" means the city council of a city, the board of trustees of a town or the board of county commissioners;

6. "Historic preservation area" means a district listed in or nominated by the State Historic Preservation Officer to the National Register of Historic Places or an historic structure or structures listed individually in or nominated by the State Historic Preservation Officer to the National Register of Historic Places, with such district or structure being subject to historic preservation zoning;

7. "Planning commission" means an organization established for local planning by local government or governments in accordance with the laws of this state;

8. "Project" means any project in furtherance of the objectives of the project plan;

9. "Project costs" means the expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by the city, town or county which are listed in the project plan as costs of public works or improvements within a district, plus any costs incidental thereto, reduced by any income, special assessments, or other revenues, other than tax increments, received, or reasonably expected to be received, by the city, town or county in connection with the implementation of the plan. Project costs include, but are not limited to:

- a. Capital costs, including the actual costs of the acquisition and construction of public works, public improvements, new buildings, structures, and fixtures; the actual costs of the acquisition, demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and fixtures; and the

actual costs of the acquisition of land and equipment,
the clearing and grading of land and environmental
remediation,

- b. Financing costs, including all interest paid to
holders of evidences of indebtedness or other
obligations issued to pay for project costs and
premium paid over the principal amount of the
obligations because of the redemption of the
obligations before maturity,
- c. Real property assembly costs, meaning any deficit
incurred resulting from the sale or lease as lessor by
the city, town or county of real or personal property
within a district for consideration which is less than
its costs to the city, town or county,
- d. Professional service costs, including those incurred
for architectural, planning, engineering, and legal
advice and services,
- e. Imputed administrative costs, including reasonable
charges for the time spent by employees of the city,
town or county in connection with the implementation
of a project plan; or employees of private entities
under contract with the city, town or county for
project planning or implementation,
- f. Organizational costs, including the costs of
conducting environmental impact studies or other
studies, the cost of publicizing the consideration of
the project plan, and the cost of implementing the
project plan for the district,
- g. Interest, before and during construction and for one
(1) year after completion of construction, whether or
not capitalized,

- h. Fees for bond guarantees, letters of credit and bond insurance,
- i. The cost of operating the district and project facilities,
- j. The amount of any contributions made in connection with the implementation of the plan,
- k. Payments made at the discretion of the governing body that the city, town or county finds necessary to the creation of the district or to the implementation of the project plans for the district, and
- l. That portion of costs related to the construction or other environmental protection devices, storm or sanitary sewer lines, water lines, or amenities or streets of the rebuilding or expansion of streets, the construction, alteration, rebuilding or expansion of which is necessitated by the project plan for a district, whether or not the construction, alteration, rebuilding, or expansion is within the area;

10. "Project plan" means the program of a city, town or county for development or redevelopment in conformance with its comprehensive plan, which is intended by the payment of costs or by the granting of incentives or exemptions to reduce or eliminate those conditions, the existence of which qualified the district, and to thereby enhance the tax bases of the taxing entities which extend into the district. Each project plan shall conform to the requirements specified by this act.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 804 of Title 62, unless there is created a duplication in numbering, reads as follows:

In addition to any other powers conferred by law, a city, town or county may exercise any powers necessary to carry out the purpose of this act, including power to:

1. Create districts pursuant to the provisions of this act;
2. Cause project plans to be prepared, to approve the plans, and to implement the provisions and effectuate the purposes of the plans;
3. Cause to be issued tax increment bonds and notes and to pledge value increments and other revenues for repayment of them;
4. Deposit monies into the special fund of any district;
5. Enter into any contracts or agreements, including agreements with bondholders, determined by the governing body to be necessary or convenient to implement the provisions and effectuate the purposes of project plans;
6. Receive, from the federal government or the state, loans and grants for, or in aid of a project and to receive contributions from any other source to defray project costs;
7. Grant tax incentives or exemptions in the manner provided for in this act;
8. Clear and improve property acquired by it pursuant to the project plan and construct public facilities on it or contract for the construction, development, redevelopment, rehabilitation, remodeling, alteration, or repair of the property;
9. Cause parks, playgrounds, or schools, or water, sewer, or drainage facilities or any other public improvements which it is otherwise authorized to undertake, to be laid out, constructed, or furnished in connection with the project;
10. Lay out and construct, alter, relocate, change the grade of, make specific repairs upon, or discontinue public ways and construct sidewalks in, or adjacent to, the district;
11. Cause sidewalks, ways for vehicular travel, playgrounds, or water, sewer, or drainage facilities and similar improvements to be constructed within the district for the particular use of the district or those dwelling or working in it;

12. Adopt ordinances or resolutions or repeal or modify such ordinances or resolutions or establish exceptions to existing ordinances and resolutions regulating the design, construction, and use of buildings;

13. Sell, mortgage, lease, transfer, or dispose of any property, or interest therein, acquired by it pursuant to the project plan for development, redevelopment, or rehabilitation in accordance with the plan;

14. Invest project revenues as provided in this act; and

15. Do all things necessary or convenient to carry out the powers granted in this act and otherwise authorized by the laws of this state.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 805 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. If any member of the governing body of a city, town or county which has adopted any district and project plan pursuant to the provisions of this act or if any member of the governing body of a taxing entity within the boundaries of a district or any person related to any such member within the third degree by consanguinity or affinity, owns or controls a financial interest of at least ten percent (10%), direct or indirect, in any property in any district or proposed district, said member shall disclose the same in writing to the clerk of the city, town or county with such disclosure entered into the minutes of the governing body. The member shall be ineligible to vote on any matter or transaction pertaining to such property, and shall refrain from taking any other official action related to and from communicating with members about such property.

B. For purposes of this act, any matter requiring a vote by the governing body of a city, town or county or a governing body of a taxing entity within the district shall be by a majority of those eligible to vote.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 806 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. The governing body shall designate the proposed boundaries of a district recommended to be created by it. The final boundaries of a district shall be determined in the project plan and shall be created and go into effect upon adoption of the plan by the governing body. Any districts created by a city or town shall be confined to that territory within the corporate limits of such city or town. Any districts created by a county shall be confined to that territory within the unincorporated areas of the county.

B. Upon the adoption and approval of the project plan, the governing body shall adopt an ordinance or resolution, whichever is applicable, which:

1. Describes the boundaries of a district sufficiently definite to identify with ordinary and reasonable certainty the territory included in it;

2. Creates the district as of a date provided in it;

3. Assigns a name to the district for identification purposes. The first district created shall be known as either an Incentive District or Increment District Number One, City, Town or County of, whichever is applicable. Each subsequently created district shall be appropriately named and shall be assigned the next consecutive number; and

4. Contains findings that:

a. the district meets at least one of the following criteria:

- (1) is a conservation area,
- (2) is an enterprise area,
- (3) is a historic preservation area, or
- (4) is an economic growth area;

- b. the improvement of the area is likely to enhance the value of all of the other real property in the area and to promote the general public interest. It shall not be necessary to identify the specific parcels meeting the criteria;
- c. the aggregate net assessed value of the taxable property in this district and all other districts within the city, town or county shall not exceed fifteen percent (15%) of the total net assessed value of the taxable property within the city, town or county; and
- d. the land area of this district and all other districts within the city, town or county shall not exceed twenty-five percent (25%) of the total land area of the city, town or county.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 807 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. The appropriate local planning commission shall prepare or cause to be prepared a project plan and submit and recommend the plan to the governing body for its approval. The plan shall include the following items, if applicable, according to the type of district being formed:

1. A description of the proposed boundaries of the district by legal description and by street or other recognizable physical feature, if possible, accompanied by a sketch clearly delineating the area in detail;

2. A statement listing the kind, number and location of all proposed public works or improvements within the district as well as anticipated private investments;

3. A detailed list of estimated project costs including administrative expenses;

4. A list of estimated nonproject costs;

5. A general description of the methods of financing all estimated project costs, the expected sources of revenue to finance or pay project costs, and the time when the costs or monetary obligations related thereto are to be incurred;

6. A map showing existing uses and conditions of real property in the district and a map showing proposed improvements to and proposed uses of that property;

7. Proposed changes of zoning ordinances;

8. Master plan, map and city ordinances; and

9. The name of the person who shall be in charge of the implementation of all of the district plans with such name being forwarded to the Department of Commerce.

B. Before the governing body may approve such plan, notice must be given and public hearings must be held pursuant to the provisions of Section 8 of this act and approval must be given by the other taxing entities within the boundaries of the district in the manner provided by Section 10 of this act. The approval by the governing body must be by ordinance if a city or town or by resolution if a county which contains findings that the plan is feasible and conforms to the master plan, if any, of the city, town or county.

C. The planning commission may, by resolution, adopt an amendment to a project plan, which amendment shall be subject to approval by the governing body. Prior to the adoption of the amendment, the governing body shall give notice concerning such amendment and hold public hearings on such amendment in the manner prescribed by Section 8 of this act and approval must be given by the other taxing entities within the boundaries of the district in the manner provided by Section 10 of this act. The approval by the governing body must be by ordinance if a city or town or by resolution of a county which contains findings that the plan is

feasible and conforms to the master plan, if any, of the city, town or county.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 808 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. Before the adoption of a project plan or subsequent amendments thereto, the governing body must hold two public hearings. The first hearing will be for informational purposes only. A representative of the city, town or county shall present the city, town or county's proposed plan or amendment thereto. The date of the second public hearing shall be fixed in the presence of the persons in attendance at the hearing, but such date shall be more than seven (7) days after the date of the first public hearing. The purpose of the second public hearing shall be to give any interested persons the opportunity to express their views on the proposed plan or amendment thereto.

B. Notice of the first public hearing shall be given once by publication in a newspaper with circulation in the city, town or county. Such notice must be published no later than fourteen (14) days before the date of the public hearing. The notice shall include the following:

1. The time and place of the public hearing;
2. The boundaries of the proposed district by legal description and by street location, if possible, accompanied by a sketch clearly delineating the area in detail as may be necessary to advise the reader of the particular land proposed to be included;
3. A statement that the first public hearing shall be informational only with persons being given the opportunity to be heard at the second public hearing;
4. A description of the plan or amendment thereto and a location and time where the entire plan may be reviewed by any interested party; and

5. Such other matters as the city, town or county may deem appropriate.

C. The publication provided for in subsection B of this section shall only apply to the second public hearing if:

1. Notice for both public hearings is not included in the notice of the first public hearing;

2. The location, date and time of the second public hearing is changed; or

3. The second public hearing is held fourteen (14) days or more after the first public hearing.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 809 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. A project plan may contain a provision that certain local taxes may be subject to incentives or may be exempted in conservation areas, enterprise zones, historic preservation areas or economic growth areas. The tax exemption or tax incentive shall be available for both new facilities and structures and for the expansion, modernization or preservation of existing facilities and structures.

B. The governing body may grant incentives or exemptions from local taxation only to the extent of the new investment made. No property tax incentives or exemptions may be granted if it is part of a project financed by tax increment bonds or if the property is subject to the ad valorem tax exemption for new or expanding manufacturing facilities as authorized by Section 6B of Article X of the Oklahoma Constitution. The incentives or exemptions, which may be full or partial, may be granted for a period not to exceed five (5) years; however, in enterprise zones incentives or exemptions may be granted for a period not to exceed six (6) years.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 810 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. In accordance with the requirements of Section 6C of Article X of the Oklahoma Constitution, the tax incentives or exemptions granted pursuant to the provisions of Section 9 of this act or the increment captured pursuant to the provisions of Section 11 of this act shall only be allowed for that portion of the tax under jurisdiction of another local taxing entity by written agreement between said other local taxing entity and the governing body of the city, town or county. Preparation of the proposed written agreement shall be by the governing body of the city, town or county.

B. In order for the tax incentives or exemptions to be granted or the increment captured for that portion of the tax under the jurisdiction of each taxing entity within the district, the governing body of the taxing entity must adopt the agreement provided for in subsection A of this section upon a majority vote of those members eligible to vote as determined by Section 5 of this act. Action on the agreement by these governing bodies must occur within sixty (60) days after the governing body of the city, town or county submits the proposed agreement to the governing bodies of such taxing entities.

C. The written agreement provided for in subsection A of this section may include, but shall not be limited to, the following:

1. List the kind, number, and location of all proposed improvements of the property;

2. Provide access to and authorize inspection of the property by city, town or county employees to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement;

3. Limit the uses of the property consistent with the general purpose of encouraging development or redevelopment of the area

during the period that the tax incentives or exemptions or the increment financing are in effect;

4. Provide for recapturing the local tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided by the agreement; and

5. Include any other requirement deemed by the governing body necessary to carry out the agreement.

SECTION 11. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 811 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. A project plan may contain a provision that taxes levied within the boundaries of the district after the effective date of the approval of such plan shall be divided in the following manner for a period not to exceed twenty-five (25) years or for the life of the bonds, whichever is less:

1. That portion of the taxes which are produced by the levy at the rate fixed each year by or for each such public body upon the total initial assessed value of the district or as to an area later added to the boundaries of the plan of the district, the effective date of the modification of the plan, or that portion of other local taxes collected within the boundaries of the district in the twelve-month period ending on the last day of the month prior to the effective date of approval of the plan or as to an area later added to the boundaries of the plan of the district, the effective date of the modification of the plan, or both such portions, shall be paid to each taxing entity; and

2. That portion of ad valorem taxes, or all or any portion of other local taxes, or both, in excess of such amount specified in paragraph 1 of this subsection, shall be allocated to, and when collected, shall be paid into a special fund of the city, town or county established for the district for the payment of the principal of, the interest on, and any premiums due in connection with the

bonds of, loans, notes, or advances of money to, or indebtedness incurred by a city, town or county, whether funded, refunded, assumed, or otherwise, for financing, in whole or in part, an increment project. When such bonds, loans, advances of money or indebtedness, if any, including interest thereon and any premiums due in connection with them, have been paid, all ad valorem taxes upon the taxable property or the total of other local tax collections, or both, in such boundary district shall be paid into the funds of the respective taxing entities.

B. For any year in which taxes are to be paid to the special fund specified in paragraph 2 of subsection A of this section, any increase in assessed valuation of taxable property within the boundaries of such district in excess of the amount equal to the total assessed value of such property on the date of the establishment of the district shall not be considered by any taxing entity in computing any debt limitation or for any other purpose except for the levy of taxes and in determining the amount to be paid to the special fund.

C. In the event there is a general reassessment of taxable property valuations of any property within the boundaries of the district or a change in the rate of other local taxes, the portions of valuations for assessment or other local taxes pursuant to paragraphs 1 and 2 of subsection A of this section shall be proportionately adjusted in accordance with such reassessment or rate change.

SECTION 12. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 812 of Title 62, unless there is created a duplication in numbering, reads as follows:

Upon approval of a plan containing property tax increment financing as provided in Section 11 of this act and the adoption of agreements related thereto, the county assessor shall, within thirty (30) days, determine the total assessed value of all taxable real

property within the boundaries of the district, and shall certify to the governing body of the city, town or county this amount as the "total initial assessed value" of that district. The county assessor shall then compute the amount of ad valorem taxes the total initial assessed value generates to each participating taxing entity in the first full taxable year after adoption of the plan by the governing body. This amount shall be certified by the assessor as the "base year ad valorem tax".

SECTION 13. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 813 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. A city, town or county may cause to be issued tax increment bonds or notes, the proceeds of which may be used to pay project costs on behalf of which the bonds or notes were issued or to satisfy claims of holders of the bonds or notes. The city, town or county may cause to be issued refunding bonds or notes for the payment or retirement of tax increment bonds or notes previously issued by it.

B. Tax increment bonds and notes are payable, as to both principal and interest, solely from the special fund of the city, town or county established for a district. The governing body of the city, town or county may pledge irrevocably all or part of the fund and other revenue for payment of tax increment bonds or notes. The part of the fund pledged in payment may be used only for the payment of the bonds or notes or interest on the bonds or notes until the bonds or notes have been fully paid. A holder of the bonds or notes or of coupons issued on the bonds has a lien against the fund for payment of the bonds or notes and interest on the bonds or notes and may protect or enforce the lien at law or in equity.

C. If tax increment bonds are issued by the governing body of a city, town or county, they shall be issued by ordinance of the city or town or by resolution of the county.

D. Tax increment bonds or notes, together with the interest on and income from those bonds or notes, are exempt from all state or local taxes.

E. The issuing city, town or county may provide in the contract with the owners or holders of tax increment bonds that it will pay into the tax increment fund all or any part of the revenue produced or received from the operation or sale of a facility acquired, improved, or constructed pursuant to a project plan, to be used to pay principal and interest on the bonds. If the city, town or county agrees, the owners or holders of tax increment bonds may have a lien or mortgage on a facility acquired, improved, or constructed with the proceeds of the bonds.

F. Tax increment bonds may be issued to mature in a period not to exceed twenty-five (25) years in one or more series. The ordinance or resolution approving a tax increment bond or note, or the trust indenture or mortgage issued in connection with the bond or note, shall provide:

1. the date that the bond or note bears;
2. that the bond or note is payable on demand or at a specified time;
3. the interest rate that the bond or note bears;
4. the denomination of the bond or note;
5. whether the bond or note is in coupon or registered form;
6. the conversion or registration privileges of the bond or note;
7. the rank or priority of the bond or note;
8. the manner of execution of the bond or note;
9. the medium of payment in which and the place or places at which the bond or note is payable;
10. the terms of redemption, with or without premium, to which the bond or note is subject;
11. the manner in which the bond or note is secured; and

12. any other characteristic of the bond or note.

G. A bond or note issued under this act is fully negotiable.

In a suit, action, or other proceeding involving the validity or enforceability of a bond or note issued pursuant to the provisions of this act or the security of a bond or note issued pursuant to the provisions of this act, if the bond or note recites in substance that it was issued by the city, town or county the bond or note is presumed to have been issued for that purpose, and the development or redevelopment is presumed to have been planned, located, and carried out as provided by this act.

H. A bank, trust company, savings bank or institution, savings and loan association, investment company or other person carrying on a banking or investment business; an insurance company, insurance association, or other person carrying on an insurance business; or an executor, administrator, curator, trustee, or other fiduciary may invest any sinking funds, money, or other funds belonging to it or in its control in tax increment bonds or notes issued under this act. This act does not relieve any person of the duty to exercise reasonable care in selecting securities or of complying with other applicable laws.

I. A tax increment bond or note is not a general obligation of the municipality issuing the bond or note. A tax increment bond or note does not give rise to a charge against the general credit or taxing powers of the city, town or county and is not payable except as provided by this act. A tax increment bond or note issued under this act must state the restrictions of this subsection on its face.

J. A tax increment bond or note may not be included in any computation of the general obligation debt of the issuing city, town or county.

K. A city, town or county may not issue tax increment bonds or notes in an amount that exceeds the total cost of implementing the project plan for which the bonds or notes are issued.

L. A tax increment bond or note shall mature within twenty-five (25) years of the date of issue.

SECTION 14. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 814 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. For those tax increment districts in operation for nine (9) months or more, on or before the ninetieth day following the end of each fiscal year, the governing body of a city, town or county shall submit a report to the chief executive officer of each taxing entity that levies property taxes on real property in an increment district. The report shall include:

1. the amount and source of revenue in the special tax increment fund;
2. the amount and purpose of expenditures from the fund;
3. the amount of principal and interest due on outstanding bonded indebtedness;
4. the tax increment base and current captured appraised value or the other local tax collections retained by the area;
5. the captured appraised value or the other local tax collections shared by the city, town or county and other taxing entities, the total amount of tax increments received and any additional information necessary to demonstrate compliance with the tax increment plan adopted by the city, town or county;
6. the name of the person who is currently in charge of the implementation of the plan; and
7. the names of the persons who have disclosed an interest as required pursuant to Section 5 of this act and the interest disclosed.

B. For those tax incentive districts in operation for nine (9) months or more, on or before the ninetieth day following the end of each fiscal year, the governing body of a city, town or county shall submit to the chief executive officer of each taxing entity that

levies property taxes on real property in an incentive district.

The report shall include:

1. the parties receiving incentives or exemptions;
2. a general description of the property and the improvements to be made;
3. the portion and fair market value of the property to be exempted or that portion of the local taxes to be subject to incentives or to be exempted;
4. the duration of the incentives or exemptions;
5. any additional information necessary to demonstrate compliance with the tax incentives or exemptions;
6. the name of the person who is currently in charge of the implementation of the plan; and
7. the names of the persons who have disclosed an interest as required pursuant to Section 5 of this act and the interest disclosed.

C. At the time of submitting the reports as required by subsections A and B of this section, the governing body shall publish in a newspaper of general circulation in the city, town or county, a summary of the relevant financial information along with a notice to the effect that such report has been prepared and that the report is available for inspection during business hours in the office of the municipal or county clerk.

SECTION 15. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 815 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. The powers of initiative and referendum, reserved by the Oklahoma Constitution to the people, are reserved to the people of every city, town or county with reference to the tax relief or incentives or exemptions or increment captured as authorized by Section 6C of Article X of the Oklahoma Constitution and as provided for in this act.

B. 1. For purposes of this section, the form of the petition for either initiative or referendum shall be substantially as provided in Sections 1 and 2 of Title 34 of the Oklahoma Statutes. A true copy of each measure proposed by initiative and referendum shall be filed with the clerk of the city or town or with the secretary of the county election board before it is circulated and signed by the registered voters.

2. Every petition for either the initiative or referendum shall be signed by a number of the registered voters residing in the city or town equal to at least twenty-five percent (25%) of the total number of votes cast at the preceding general municipal election or for counties, equal to at least ten percent (10%) of the registered voters residing in the county. The signatures to each petition shall be verified in the manner provided by law.

3. Signed copies of an initiative petition shall be submitted to the clerk or secretary within ninety (90) days after the initial filing of the measure with the clerk or secretary. Signed copies of a petition invoking a referendum upon any ordinance or resolution shall be submitted to the clerk or secretary within thirty (30) days after the passage or adoption of the ordinance or resolution.

C. When signed copies of a petition are timely filed with the clerk or secretary, the clerk or secretary shall make a physical count of the number of signatures appearing on the petitions. He shall then publish, in at least one newspaper of general circulation in the municipality or the county, a notice of the filing and the apparent sufficiency or insufficiency of the petition. The notice shall also state that any qualified elector of the municipality or the county may file a protest to the petition or an objection to the count made by the clerk or secretary.

A protest to the petition or the count of signatures shall be filed in the district court in the county in which the situs of the city, town or county is located within ten (10) days after the

publication. Written notice of the protest shall be served upon the clerk or secretary and the parties who filed the petition. In the case of the filing of an objection to the count, notice shall also be served upon any party filing a protest. The district court shall fix a day, not less than ten (10) days after the filing of a protest, to hear testimony and arguments for and against the sufficiency of the petition. A protest filed by anyone, if abandoned by the party filing it, may be revived within five (5) days by any other qualified elector. After the hearing, the district court shall decide whether such petition is in form required by law.

D. 1. The parties submitting a petition for either initiative or referendum shall also prepare and file a ballot title for the measure. The ballot title may be filed with the clerk or secretary prior to circulating the petition, but it must be submitted no later than the time that the signed copies of the petition are filed with the clerk or secretary. The ballot title shall contain the gist of the proposition couched in language that may be readily understood by persons not engaged in the practice of law. The ballot title shall contain language which clearly states that a "yes" vote is a vote in favor of the proposition, and a "no" vote is a vote against the proposition. The ballot title may not:

- a. exceed one hundred fifty words and consist of only one sentence;
- b. reflect partiality in its composition or contain any argument for or against the measure; or
- c. contain language whereby a "yes" vote is, in fact, a vote against the proposition and a "no" vote is, in fact, a vote in favor of the proposition.

2. The clerk or secretary shall immediately forward a copy of the proposition and ballot title to the municipal attorney or district attorney. Within three (3) days after the filing of the

ballot title, the attorney shall notify the clerk or secretary in writing whether or not the proposed ballot title is in legal form and in harmony with the law. If the ballot title is not in proper form, in the opinion of the attorney, he shall prepare and file a ballot title which does conform to the law within the three-day period.

E. A qualified elector who is dissatisfied with the wording of a ballot title may appeal, within ten (10) days after the ballot title is filed with the clerk or secretary, to the district court in the county in which the situs of the city, town or county is located. The petition for appeal shall offer a substitute ballot title for the one from which the appeal is taken. Written notice of the appeal shall be served upon the clerk or secretary and upon the parties who filed the ballot title at least five (5) days before such appeal is heard by the court. The municipal attorney or the district attorney shall, and any interested citizen may, defend the ballot title from which the appeal is taken. After the hearing of the appeal, the district court may correct or amend the ballot title, or accept the substitute suggested, or may draft a new one which will conform with the law.

F. When a ballot title has been decided upon, either as approved by the municipal attorney or district attorney or by the district court, the clerk or secretary shall notify the mayor or the chairman of the board of county commissioners in writing, and attach a copy of the petition and ballot title.

G. When an initiative petition demands the enactment of an ordinance or resolution, the mayor or the chairman of the board of county commissioners shall present the petition to the governing body at its next meeting. If the petition is not granted more than thirty (30) days before the next general municipal or county election, the mayor or the board of county commissioners shall submit the ordinance or act so petitioned to the registered voters

of the city, town or county at the next general municipal or county election.

H. Whenever a referendum is demanded against any measure passed by the city, town or county governing body, or whenever an initiative petition is demanded, the question shall be submitted to the registered voters of the city, town or county for their approval or rejection at the next general municipal or county election.

SECTION 16. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 24A.21 of Title 51, unless there is created a duplication in numbering, reads as follows:

The fees that may be charged by a public body pursuant to the provisions of paragraph 3 of Section 24A.5 of this title shall not be charged when a state agency or taxing entity located within the boundaries of any district created pursuant to the provisions of the Local Development Incentives Act request a copy of the reports required by subsections A and B of Section 14 of this act.

SECTION 17. This act shall become effective July 1, 1991.

SECTION 18. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

43-1-1048

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